

1401 Main Street, Suite 900



Phone: (803) 737-0800

abateman@ors.sc.gov

Andrew M. Bateman
Deputy Chief Counsel for ORS

March 21, 2019

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
 Chief Clerk & Administrator
 Public Service Commission of South Carolina
 101 Executive Center Drive, Suite 100
 Columbia, South Carolina 29210

Re: Application of Duke Energy Carolinas, LLC for Adjustments in Electric Rate Schedules and Tariffs and Request for an Accounting Order
Docket No. 2018-319-E

Dear Ms. Boyd:

On March 20, 2019, Duke Energy Carolinas, LLC ("DEC") filed a letter notifying the Commission and parties to the above referenced docket that "the Company does not contest the Base Facilities Charge... proposed by [the South Carolina Office of Regulatory Staff ("ORS")] Witness Seaman-Huynh's surrebuttal testimony as follows: BFCs of \$11.96 for residential non-TOU, \$13.06 for residential TOU, and \$11.70 for SGS customers, and to put the remaining revenue requirement ultimately determined by the Commission in the variable component of such rates."

Please allow this letter to clarify ORS witness Seaman-Huynh sponsors a rate design methodology that, when applied to the adjustments proposed by ORS, results in the rates outlined by DEC.¹ ORS does not necessarily recommend a specific rate as represented by DEC. If the Commission adopts positions other than those proposed by ORS, the rates set forth above can change.

Additionally, to the extent the remaining revenue requirement is allocated to variable/volumetric component of rates, the increase could be higher than the variable/volumetric rates DEC noticed

¹ See ORS witness Seaman-Huynh's Pre-filed Direct Testimony pp. 10,11, ll. 20-23 and 1-5, and p. 12, ll. 3-16.

in its Application. Rates put into effect by DEC must not violate the due process rights of its customers and must not result in a taking of property without an due notice.² Due to the timing of the Company's letter, ORS has not yet been able to thoroughly review the matter; however, in its capacity as representing the public interest, ORS felt it necessary to clarify its position and identify this potential issue.

Sincerely,



Andrew M. Bateman

cc: All Parties of Record (via E-Mail)
Joseph Melchers, Esquire (via E-Mail)

² According to S.C. Const. Art. 1, § 22, “[n]o person shall be finally bound by a judicial or quasi-judicial decision of an administrative agency affecting private rights except on due notice and an opportunity to be heard; nor shall he be subject to the same person for both prosecution and adjudication; nor shall he be deprived of liberty or property unless by a mode of procedure prescribed by the General Assembly, and he shall have in all such instances the right to judicial review.” Additionally, the fundamental requirements of due process include notice, an opportunity to be heard in a meaningful way, and judicial review. (See Kurschner v. City of Camden Planning Com’n 376 S.C. 165, 656 S.E.2d 346 (2008)). See also S.C. Code Ann. § 1-23-320 (Supp. 2018).